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Counterspy Unification Bid Argued

Battle Brews Over Plans to Bring U.S. Efforts Together

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WASHINGTON—A major fight is brewing within the government over efforts to reform U.S. counterintelligence activities after completion of a secret study ordered by President Reagan on the threat to the nation posed by Soviet spies and other foreign agents.

A central element in the developing controversy is the question of how far the United States should move toward creating a single counterintelligence agency. Some intelligence officials believe greater centralization is needed to fight foreign spying, but others believe that such a move would rekindle old fears of a Big Brother in Washington spying on private citizens.

The presidential study of U.S. capabilities and resources in counterintelligence, overseen by William J. Casey, director of the Central Intelligence Agency, made more than 100 recommendations last August, Administration officials said.

Broader Issues Ignored

And the President has ordered Casey to examine ways to implement the findings, an Administration official said.

But the study was precluded from looking into the broader, more controversial issues underlying U.S. counterintelligence performance—such as whether the various agencies in the field should be better coordinated, whether they should issue a combined analysis of collected information and, ultimately, whether they should be reorganized into a single central agency.

Instead, this broader examination has been assigned to the President's Foreign Intelligence Advisory Board, composed of 19 private citizens under the chairmanship of former Ambassador and White House counselor Anne Armstrong of Texas. It has been directed to examine all aspects of the counterintelligence picture, including possible organizational changes.

Fear of Single Agency

This has raised fears within the intelligence community that a single counterspy agency may emerge and, if given police powers and authority to keep files on Americans, would raise the specter of a national security organization to spy on U.S. citizens.

"It would become the focus not only of liberal attacks for the rest of the century, reviving ghosts of the FBI files and (former FBI chief J. Edgar) Hoover, but also a target for penetration by the Soviets," said one government official who asked not to be identified.

"Decentralization also provides a way to get competitive analyses of the threat and of other data, to avoid the government being sent off in a wrong direction without adequate review," another official said.

On the other hand, there appears to be a unanimous view in the government that improvement is needed in the present decentralized system.

As now structured, the FBI spends 80% of the nation's total

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